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MAR - 3 1998

March 3, 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**Ms. Magalie Roman Salas, Secretary**  
Federal Communications Commission  
Office of the Secretary  
1919 M. Street, NW Room 200  
Washington, DC 20554

Re: Ex parte - CC Docket No. 94-129 (Slamming)

Dear Ms. Salas:

A copy of the enclosed correspondence was delivered today to Chairman Kennard, Tom Power, Commissioner Ness, Jim Casserly, Commissioner Furchgott-Roth, Kevin Martin, Commissioner Powell, Kyle Dixon, Commissioner Tristani, Paul Gallant, A. Richard Metzger, Mary Beth Richards, and Robert Spangler for inclusion in the record of the above-referenced proceeding.

Two copies of this Notice are being submitted to the Secretary of the Commission in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Albert M. Lewis".

cc: Each of the individuals named above.

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**Rick D. Bailey**  
Vice President - Federal Government Affairs

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MAR - 3 1993

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March 3, 1998

FEDERAL COMMUNICATIONS COMMISSION  
DEPT. OF COMMERCE

The Honorable William Kennard  
Chairman  
Federal Communications Commission  
1919 M Street, NW, Room 814  
Washington, DC 20554

Dear Chairman Kennard:

AT&T announced today that it has undertaken new initiatives to eliminate "slamming" from the telecommunications industry. AT&T has introduced three tough new measures to ensure that its own house is in order, and to reaffirm that it has a zero tolerance for slamming.

While we believe that our actions will be constructive as policy makers continue to address this issue, we also believe that the Commission can and should take steps to conclude the slamming proceeding it has pending. The enclosed summary describes the actions AT&T believes the Commission should take in that proceeding to adopt national safeguards.

If you have questions or concerns, please call Al Lewis on 202-457-2009.

Sincerely,

Enclosures

cc: Tom Power



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**PROTECTION OF CONSUMERS' CHOICE OF CARRIERS**  
**CC DOCKET NO. 94-129**

Despite the efforts of federal and state regulators and other public agencies, the problem of "slamming" - the abusive practice of switching customers from their preferred carrier without authorization - has continued to grow and, if unchecked, threatens to reach epidemic proportions. Moreover, as Commissioner Ness has only recently underscored, the changes in industry structure wrought by the Telecommunications Act of 1996 and the Commission's pro-competitive policies pose additional threats to consumer choice, as incumbent local exchange carriers ("LECs") implement policies and practices purportedly designed to address the slamming problem, but which in fact may restrict or impede subscribers' ability to select a preferred carrier.

In light of these developments, AT&T is announcing a new public policy initiative to eradicate the slamming problem and to preserve and protect consumer choice among competing carriers at the interLATA, intraLATA and local service levels. AT&T is also announcing that it is implementing several internal practice changes to assure that its existing policy of "zero tolerance" for slamming continues to be scrupulously observed in AT&T's dealings with customers.

Specifically, AT&T urges adoption by the Commission of industry-wide safeguards to eliminate LEC influence and control over the processing of residence customers' carrier selection changes and carrier choice "freezes" at all service levels. An industry-wide solution will require transferring the LECs' responsibility for processing consumer carrier changes and freezes to an independent, neutral entity, although in the near term these controls may be implemented through stringent market rules to govern the LECs' conduct.

Additionally, AT&T calls for the Commission to require that all consumer carrier changes - whether for interLATA, intraLATA, or local service - except orders submitted by customers to a local carrier for services from an entity other than the local carrier itself, be verified by an independent third party prior to processing. This requirement, which mirrors the highly effective procedure adopted by the Commission in 1992 for "outbound" telemarketing calls, should apply to all marketing channels through which customers are solicited to make carrier changes, including "inbound"

telemarketing calls and all written letters of authorization, or "LOAs" (e.g., combined "check/LOAs," business reply mailings, and LOAs obtained through face-to-face contact with customers at local community functions and other events). (AT&T is beginning development of the systems and training required to implement third party verification of all consumer carrier changes upon Commission adoption of that requirement.) Moreover, to assure the effectiveness of this verification process in controlling slamming, the Commission should assure that unscrupulous carriers are prevented from using scripts which may mislead customers about the identity of the carrier they are authorizing to provide their service.

Finally, to assure that there will be sufficient incentives for private enforcement of the Commission's regulatory scheme, AT&T urges the Commission to effectuate the objectives of new Section 258 of the Communications Act by adopting a carrier-to-carrier damage remedy, in the nature of liquidated damages, of \$1,000 per valid slamming incident against carriers that violate antislamming rules. The Commission should establish an adjudicative process for awarding such damages that will ensure uniform, non-discretionary enforcement against all offending carriers, regardless of their size.

In addition to these public policy initiatives to implement industry-wide antislamming safeguards, AT&T is announcing its adoption of three changes in its internal procedures to control slamming.

1. AT&T is immediately suspending its use of outside vendors for face-to-face marketing at local community events (commonly called the "feet-on-the-street" program), and will not resume using those vendors until it has ensured that those vendors fully satisfy AT&T's zero tolerance antislamming policy.

2. AT&T will establish a dedicated slamming resolution center to discuss slamming concerns with customers around-the-clock, seven days a week. Service representatives in the center will be committed to resolve most inquiries on the first call, and to address any other complaints within three business days if they require investigation.

3. AT&T will assure that any reseller of its services that is responsible for a valid customer slamming complaint is assessed appropriate charges by AT&T for the costs of processing that complaint.